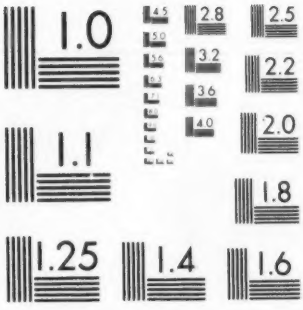

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ABSTRACT

This report provides brief descriptive information about State compensatory education (SCE) programs in 17 States: (1) California; (2) Connecticut; (3) Florida; (4) Georgia; (5) Hawaii; (6) Maryland; (7) Michigan; (8) Nebraska; (9) New Jersey; (10) New York; (11) Ohio; (12) Oregon; (13) Rhode Island; (14) Texas; (15) Utah; (16) Washington; and (17) Wisconsin. The SCE programs described are presented alphabetically by State. Each presentation includes information concerning the following: (1) name or description of program; (2) distribution of funds; (3) selection of students; (4) types of services funded; and (5) the State's administration of the program. Additional information provided in some of the descriptions deals with supporting programs, district requirements, recent funding levels, and number of children served. (EB)

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State Compensatory Education Programs

A Supplemental Report from the National Institute of Education

December 1978

U S DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

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Preface

This supplemental volume to the series of studies on compensatory education reflects the efforts of many members of the NIE staff and contractors. The contributions of state and local Title I administrators and of state compensatory education administrators merit special attention. They provided information about programs in their respective States and also reviewed preliminary drafts. The volume was written by Richard Moss and Catherine Hodgman.

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Chapter I. Introduction

REQUEST FOR THE NIE STUDY

The Education Amendments of 1974 (Public Law 93-380), the major education legislation of the 93d Congress, extended and changed the Elementary and Secondary Education Act of 1965 (ESEA) and extended other Federal education programs.

The law also directed various Federal agencies to conduct studies and surveys so that Congress might have the benefit of more up-to-date and accurate information during its future consideration of legislation to assist elementary and secondary education. Among these directives is Section 821 of the Education Amendments, which instructs the National Institute of Education (NIE) to conduct a study of compensatory education, including compensatory education programs financed by States and those funded under authority of ESEA Title I.

In September of 1977, NIE reported its findings on the allocation of Title I funds, the delivery of Title I services, and the effects of these services on participating children. NIE also reported its findings on the administration of Title I and the relationship between Title I and state compensatory education (SCE) programs (NIE, 1977).

1977 FINDINGS ABOUT SCE

On the basis of a study of legal standards (Silverstein et al., 1977) and discussions with 14 SCE directors, NIE found that state compensatory education programs have been established in almost one-third of the States and provide a significant level of funding for compensatory education services. In fact, the 1977 appropriations for these SCE programs represented an increase in the level of support for compensatory education programs of almost 20% of the national Title I funding.

SCE programs follow the pattern of Title I, although some interesting alternative funding patterns have been developed. These programs target funds to the same type of pupils and provide the same type of services. In general, state programs provide services that complement and augment Title I programs.

The continued growth of SCE programs is not assured, however, since compensatory education programs must compete with other claims for state and local funds. States that have established their own compensatory education programs generally can call on greater financial resources than those that have not. Without Federal legislative action to provide incentives, it is unlikely that many more States will initiate major compensatory education programs.

FOLLOW-UP ACTIVITIES

This report reflects follow-up activities that were designed to provide Congress with detailed descriptions of SCE programs in 17 States. Program descriptions were reviewed and made more precise, and quantitative data were updated. Also, NIE expanded its 1977 review of SCE by including four more States and by examining the incentive proposal.

During deliberations on the reauthorizing legislation for ESEA, the Congress considered proposals for providing additional Title I funds as an incentive for increasing the States' efforts in compensatory education. Because the proposal could substantially change the characteristics of a number of state programs, NIE wanted also to learn more about the thinking of SCE staff on the proposed state incentive legislation.

All follow-up activities were conducted through telephone conversations with SCE personnel. Information was obtained about general program dimensions and administrative structures. Specific figures on average per-pupil expenditure, percent of programs using differing instruction strategies such as pullout and mainstream, and percent of funds used in secondary schools were also gathered.

In some cases, state staff were unable to provide certain data. Descriptive information about individual SCE programs is based on the best available data and telephone interviews. This introduction to descriptions of individual state compensatory education programs briefly discusses six issues and updates and amplifies data presented previously (NIE, 1977).

The six issues discussed are:

- Funds distribution
- Student selection
- Requirements of districts
- Funding levels and number of children served
- State administration of programs
- Possible effects of the proposed Federal matching program

Funds Distribution

State compensatory education programs provide allocations to districts by either a formula or a competitive grant system. Fifteen of the 17 States allocate funds on the basis of a formula, while two States award grants on the basis of a competitive application process.

Most of the States using formulas distribute funds on the basis of economic disadvantage, often in combination with achievement criteria. In two States, funds are allocated on the basis of high population density; in one State, the sparsity of population is a factor in computing state aid. A few States base the formula solely on achievement test data. In a small number of cases, States have developed formulas that are sensitive to the number of dropouts or potential dropouts.

In the two States conducting grants competition, competing districts must demonstrate that they will serve a student population identified by economic, educational, and/or social criteria.

In addition to these 17 state compensatory education programs, some other States use a weighting formula to allocate some state funds to districts that have a large number of low-income or low-achieving children. For example, one State's aid formula grants between .5 and 1.1 additional pupil-units of funding per district for each AFDC (Aid to Families with Dependent Children) child. These extra funds are not necessarily used for compensatory or categorical programs, but contribute instead to general education revenues.

Student Selection

In many States, achievement is the sole criterion for selecting students for participation in the program. In contrast, students must meet both economic and achievement criteria in some other States. In a few cases, Title I-eligible students must be served first.

When achievement data are used, districts identify eligible children by using standardized test data. In many States, the state educational agency (SEA) provides some guidance on the kinds of instruments the district may use. Standardized norm-referenced tests are used in most States; a few States use criterion-referenced tests, and others are exploring their use. Teacher judgment plays some role in identifying students, especially in instances when students' scores are close to the cutoff range. Generally, States do not stipulate that students most in need be served first.

Types of Services Funded

State compensatory education funds are primarily intended to provide reading and mathematics instruction for children at the elementary grade level. In many cases, the SCE funds provide for more instructional services for Title I children or children who share characteristics with Title I children but do not participate in Title I programs.

In some cases, the SCE program is designed to provide these educational services to these children after they leave the grade levels served by Title I. A strong focus on serving high school students with SCE funds exists only in a few States.

Like Title I, these educational services are likely to be provided in special separate classes, namely, pullout classes. Several SEAs, however, have begun encouraging districts to serve compensatory education students within the regular classroom.

Although few States prohibit the use of SCE funds for auxiliary services, such as food, medical care, or transportation, States are not likely to view such services as a principal component of an SCE program. Many States do, however, consider ways of jointly funding compensatory education programs so that Title I monies and SCE monies together will provide a broad range of educational and auxiliary services.

Recent Funding Levels and Number of Children Served

States vary considerably in the funding levels of their compensatory education programs (see Table 1). The SCE programs in New York and California accounted for about 60% of the $489 million that States spent on their own compensatory education programs in fiscal year 1978. In fiscal year 1978, Utah's program had the lowest funding level at $881,328.

The number of children served by SCE funds also varied greatly. California served about 478,000 children in three SCE programs in the

TABLE 1

FISCAL YEAR 1978 TITLE I FUNDING, STATE COMPENSATORY EDUCATION FUNDING, NUMBER OF CHILDREN SERVED, AND PER-PUPIL FUNDING BY STATE

State	Title I Funds*	SCE Funds	Number of Children Served	Per-Pupil Funding
California	$156,938,183	$114,378,843**	477,684	$239
Connecticut	18,205,841	7,000,000	14,000	500
Florida	67,774,069	NA	NA	NA
Georgia	55,154,220	12,746,747	147,730	86
Hawaii	6,017,521	2,188,144	3,608	606
Maryland	33,418,355	11,000,000	80,330	136
Michigan	76,974,514	30,000,000	118,887	252
Nebraska	10,220,215	29,300,000***	5,304	552
New Jersey	52,982,258	68,000,000	370,900†	183†
New York	202,496,411	147,000,000	450,000	327
Ohio	57,263,893	32,620,072**	1,568,885	208
Oregon	16,761,835	2,000,000	6,500	308
Rhode Island	7,116,952	2,000,000	NA	NA
Texas	119,590,863	23,985,839**	242,342	99
Utah	6,253,813	881,328	NA††	NA††
Washington	21,665,483	5,032,740	NA†††	NA†††
Wisconsin	30,658,754	1,225,000	2,319	528
Total	2,015,803,180	489,358,713		

*Allotments for fiscal year 1978, local educational agency grants, Part A of Title I.
**1976-77 figure.
***Total equalization aid.
†Projected.
††Figures not available for 1977-78. 1976-77 figures were 5,783 children served, $158.44 per pupil.
†††Figures not available for 1977-78. 1976-77 figures were 36,198 children served, $124.31 per pupil.

1977 school year. Wisconsin's Special Educational Needs Program served 2,319 students in that year.

Per-pupil funding levels vary considerably, ranging from a high of $606 to a low of $86.[1]

State Administration of Programs

The quality of state administration is in large part dependent upon the authorities vested in the SEA by the state legislature. Few state legislatures have mandated that the SEAs assume an active role in the administration of state compensatory education. Generally, statutory guidance is neither demanding nor extensive, and the SEA may lack the legal basis for active involvement in program administration in many States. Under these circumstances, it is not surprising that few States invest much time, money, or effort in the administration of state compensatory education.

State activities include monitoring, audits, and technical assistance. Monitoring of SCE programs may consist of review of applications, site visits, and evaluation activities. Most States require applications from districts, although in several States funds flow automatically based on various indexes. To the extent that States do administer SCE, they follow procedures similar to those used in Title I.

The degree of monitoring is not uniform across the various States. Many States lack the staff to visit sites regularly. Although most staff sizes are limited, selective monitoring by SCE staff and monitoring assistance from state Title I staff tend to overcome some of the effects of these low staff levels.

[1] Per-pupil funding is calculated from the formula:

$$\frac{\text{total dollars}}{\text{total number of children}}$$

Enforcement activities are limited within SCE programs. Many States require a yearend financial report; SCE programs may be audited as part of the States' overall financial management procedures. In some large urban districts, there are program audits as well as fiscal audits. Although many States have procedures for recovering misspent funds, it is not clear that many SEAs have exercised this option.

States first provide districts with technical assistance by advising the districts about the rules governing the use of funds. Depending upon staff levels and other resources, SEAs may conduct workshops and planning sessions as well as issue policy guidance.

Although not all States have developed an elaborate set of rules governing the use of SCE funds, the SEAs usually try to provide guidance about the relationship between SCE and Title I. One of the most important aspects of this relationship is the provision related to comparability. The Title I regulations include specific guidance that points to the conditions under which SCE funds can be exempted from comparability. [2]

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[2]Before the enactment of the 1974 Amendments to Title I, local educational agencies (LEAs) providing state-funded compensatory services usually had to provide them in all Title I schools before they could be provided in non-Title I schools, because providing substantial amounts of state-funded services in non-Title I schools would raise the average level of expenditures in those schools. Under comparability requirements, each Title I school is compared individually with the average of non-Title I schools. If a single Title I school did not receive state compensatory education services, it would not meet that new level of expenditures and thus would be out of compliance with the comparability requirement.

As a result of revisions in the legal framework resulting from the Education Amendments of 1974, an LEA is now permitted to exclude from its comparability computations expenditures for "comparable state or local programs for educationally deprived children." To qualify for an exemption from comparability, SCE programs must meet four criteria:

(1) The funds must be used for educationally deprived children.
(2) The funds must be used for a program that is evaluated.
(3) The funds must be used for special, supplementary purposes.
(4) The LEA must be accountable to the SEA for compliance with the first three requirements.

In most States, the districts have been given the option of either including or excluding these funds. In two States, the SEA has determined that the program does not qualify for exemption.

States also make some effort to help districts develop effective instructional programs. SEAs conduct training workshops, disseminate information about successful programs, and conduct research and development projects. The degree to which States undertake these activities is dependent upon factors such as staff levels, the organizational structure of the SEA, and the number of districts and their geographic concentration.

STATE COMPENSATORY EDUCATION AND STATE INCENTIVE PROPOSALS

Legislative proposals contained in the Education Amendments of 1978[3] included an incentive for States to support a state compensatory education program. Generally, this legislative proposal provided additional Federal support for Title I program activities in proportion to the amount of money a State spends for SCE activities; it contained a ceiling provision that limits the matching funds to 10% of the Title I grant. Because this proposal could significantly change the characteristics of, as well as encourage greater expenditures in, some SCE programs, NIE wanted to learn more about the thinking of SCE staff. In particular, NIE wanted to know if the States believed they would qualify for a match, if they had considered the kinds of changes that might be necessary to qualify for matching funds, and if they anticipated any growth in SCE funds as a result of the incentive legislation.

Most state administrators believed that their programs would qualify for matching funds. A few States did not believe their programs would qualify since the SEA lacked the legislative authority to ensure that services were delivered to disadvantaged children. Several state administrators noted that the administration's testimony had referred to their programs as ones needing some modification, although the precise nature of these modifications was unclear.

While most administrators were aware of the incentive proposal, many of them did not understand an important aspect of the legislation. Drawing upon information gathered through informal contacts and local media, many SCE personnel had concluded that the Federal matching funds would be used for additional SCE

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[3]95th Congress, 2d session, 95-1753, sec. 116, Conference Report.

services. When the NIE staff explained that this was not the case and that the matching funds would be used for Title I program activities, many SCE personnel felt that the proposal was not an adequate incentive. In some States, the proposed match was not viewed as sufficient to encourage program growth; in other States, it was not seen as sufficient to encourage program modifications.

Personnel from States that clearly qualified for the match did not believe that the matching proposal would generate additional state revenues. Some suggested that allowing the States broader prerogatives in the allocation of these additional funds would provide a greater incentive for SCE growth.

Personnel from States that did not clearly qualify for matching funds were not certain that the incentive would generate the kinds of political support necessary for program changes. In States where SCE funds provide additional revenues to districts without categorical restrictions, local superintendents were strong advocates of the current program. State-level personnel felt that additional program funds for Title I services would not necessarily convince this important constituent group to argue in favor of changes in the SCE program.

Chapter II. States with Compensatory Education Programs

CALIFORNIA

Name or Description of Program

California's compensatory education effort is made up of three major programs:

- The Educationally Disadvantaged Youth (EDY) Program
- The Miller-Unruh Bilingual Reading Specialists Program
- Secondary Demonstration Projects in Reading and Mathematics

The EDY is the largest of these programs.

The Office of Compensatory Education administers four additional categorical programs; these are described on p. 9.

Funds Distribution

EDY and Miller-Unruh are formula grant programs; Secondary Demonstration Projects is a competitive grant program.

EDY uses three criteria to determine a district's eligibility for EDY funds:

(1) The bilingual-bicultural index, determined by dividing the percent of Indian students and students in the school district with Spanish and Oriental surnames by the statewide average percentage for similar districts (elementary, secondary, or unified)

(2) The ratio of the district's "index of family poverty," defined as the district's Title I entitlement, divided by its average daily attendance in grades K-12; this quotient is then divided by the state average index for family poverty in similar districts

(3) The ratio of the district's index of pupil transiency, as determined by the relationship of the district's average daily attendance to total annual enrollment, divided by the state average index for pupil transiency in similar districts

The Miller-Unruh Reading Specialists Program allows all school districts maintaining grades 1, 2, and 3 to apply for Miller-Unruh Program funds. The State prepares a matrix in which every school is given an achievement and an income index. State officials use this matrix in assessing districts' needs for funding.

Each participating school may hire one reading specialist for each 125 units of average daily attendance (ADA). Districts with large numbers of severely disadvantaged children may hire more specialists. Districts must share the costs of hiring the reading specialists; their share is determined on the basis of average teacher salary.

Secondary Demonstration Projects use a competitive grant system in which the Director of Compensatory Education determines the target areas, i.e., those with high concentrations of both Title I and EDY children.

Student Selection

Children are selected for EDY services by the Title I criteria. Districts use a statewide test to determine educational disadvantage. Children most in need are served first. Although EDY funds may serve children from preschool through grade 12, priority is given to children in the early grades.

The target population of the Miller-Unruh Program is children in grades K-3 who have reading problems indicated by first-quartile scores on a statewide test. The State targets funds to the school level.

Secondary Demonstration Projects serve all children in grades 7, 8, and 9. The program focuses on increasing students' reading and mathematics skills. Projects are funded in a 3-year cycle, with the money targeted on the grade. The same group of children is served for 3 years in each of the three successive grade levels. Districts may fund projects for the groups not served by state funds.

Types of Services Funded

Title I and EDY programs are jointly funded. The State attempts to serve each disadvantaged child with a "critical mass" of money, i.e., at least $353 per year up to $550 per year. Budgets for Title I and EDY are maintained separately.

EDY services follow Title I guidelines. Instructional services in reading and mathematics receive highest priority. The State strongly encourages use of mainstreaming techniques. Funds may also be used to pay for health and other ancillary services, parent education, and staff development.

Reading specialists, who help prevent or correct reading disabilities in young children, are funded under the Miller-Unruh Reading Specialists Program. Within-classroom instruction is emphasized.

Funds support Secondary Demonstration Projects in Mathematics and Reading in junior high schools (grades 7-9). Services are intended to improve achievement levels in basic skills.

Requirements of Districts

Districts prepare an annual consolidated application form for funds from the EDY Program, the Miller-Unruh Program, Secondary Demonstration Projects, and Title I appropriations. The application must include comprehensive district-level and school-level program plans; documentation of the needs assessment procedure used; goals and measurable objectives; assurances of parental and community involvement; processes of individualization of instruction; staff development provisions; and evaluation procedures.

Districts perform an annual evaluation of all compensatory programs. Districts must administer pretests and posttests and must report the results. The evaluation reporting for SCE and Title I programs is consolidated into one form. Districts submit evaluation reports to the state Program Evaluation Office.

State Administration of Programs

The Office of Compensatory Education administers EDY and the Secondary Demonstration Projects, and the Right-to-Read Office administers the Miller-Unruh Program. Several bureaus within the Office of Compensatory Education help oversee different levels of the programs.

Field service teams help districts prepare applications. The teams provide technical assistance and aid in program development. A unit within the state office receives and reviews the districts' applications and collects comparability data. An accounting office maintains records of expenditures. The State audits districts periodically.

The Office of Program Evaluation and Research collects data from the districts and prepares an annual evaluation report, which then is sent to the legislature.

Recent Funding Levels and Number of Children Served

Funding Levels

School Year	EDY	Miller-Unruh	Secondary Demonstration
1975-76	$90,389,376	$13,849,625	$3,045,000
1976-77	97,484,218	13,849,625	3,045,000

Number of Children Served

School Year	EDY	Miller-Unruh	Secondary Demonstration
1975-76	400,754	1,445 teachers for 158,000	9,791 (31 projects)
1976-77	337,684	1,240 teachers for 130,000	10,000 (32 projects)

Additional Categorical Programs

(1) Teacher Education and Professional Development. This program recruits and retrains teachers from low socioeconomic and/or minority backgrounds to serve disadvantaged children. Funds support inservice training programs to improve teachers' effectiveness in teaching disadvantaged children. In 1976-77, the appropriation of $950,204 was used to train 540 teachers, administrators, and aides.

(2) Early Childhood Education (ECE). ECE serves all children in grades K-3 in a given school. In each year, half of a district's funds must go to the schools that have the greatest educational need. The program's primary focus is on restructuring the ways in which schools plan and provide services, involve parents, and use community resources. In 1976-77, ECE was funded at $97,450,000 and served 687,333 children.

(3) Preschool. The target population is all preschool children. Funds support innovations in the care of these children. In 1976-77, $23,153,044 served 19,310 children.

(4) Bilingual Education. The program serves limited and non-English-speaking children in grades K-12. Funds are used to employ bilingual teachers and aides and to cover expenses for materials, Parent Advisory Councils, and inservice training. The 1976-77 appropriation of $8,139,808 served 29,385 children.

CONNECTICUT

Name or Description of Program

State Act for Disadvantaged Children (SADC).

Funds Distribution

SADC is a formula grant program with a formula similar to that of Title I. Most programs using SADC money are jointly funded with Title I. For each district, the number of families with incomes under $4,000 (census data) and the number of children in AFDC-recipient families are used to derive a composite proportion of these figures for the State as a whole. This proportion is used to determine each district's share of SADC funds.

Student Selection

The SEA encourages districts to provide preschool or early elementary grade programs for educationally deprived children. All children served with SADC funds must be educationally disadvantaged. Selection of educationally disadvantaged children is based on the best available local data. To be eligible, a student must score in the lowest three stanines, or at or below the 23d percentile on an assessment test chosen and administered at the local level. At present there is no statewide testing program in Connecticut; however, officials expect the state testing program to be ready by fiscal year 1980.

At least 75% must be economically disadvantaged. Economically disadvantaged children are defined as those from families with incomes less than $4,000 or those who receive AFDC, or those who receive free lunches or free milk.

Types of Services Funded

Programs consist mainly of supplementary instruction in basic skills. Eighty-five to 90% of SADC funds are used for instructional services. Guidelines recommend that districts allocate at least $300 over local expenses per pupil in the program and that they continue to support participating children for several years.

The legislature has advised that funded activities may include preschool programs, bilingual programs, remedial education, special tutoring, programs for dropouts, cooperative projects affecting urban and suburban programs for the disadvantaged, and innovative or experimental educational programs.

The pullout/mainstream decision is a local option. The LEAs must inform the State about the decision they make for each program in their applications. Both pullout and mainstream strategies as well as combined approaches are used by LEAs.

Requirements of Districts

Districts submit a joint application form for SADC and Title I funds. The SADC staff reviews these applications to verify implementation of the statute. Each application must include a budget for the entire program and for each component part. General guidelines suggest that districts may allocate not more than 5% of funds for administrative costs, not more than 5% for instructional supplies, and not more than 1% for auditing costs.

The proportion of Title I and SADC eligibles served must be equal to the corresponding proportion of Federal and state appropriations. For example, if 80% of a district's funding is Title I money, 80 out of every 100 children served must be Title I eligible. The other 20 would be selected by the SADC criteria: all 20 of the SADC children must be educationally disadvantaged; 15 of the 20 (or 75%) would have to be economically disadvantaged as well. The staff ensures that these jointly funded SADC-Title I programs serve eligible populations in an equitable manner.

In addition to performing annual evaluations, districts must submit quarterly budget reports to the Grants Processing Division of the state Department of Education. The districts are required to account for state monies separately and a separate audit is required for each funding source.

Recent Funding Levels and Number of Children Served

Funding levels have remained fairly constant at $7 million per year for the past several years. Officials predict that in fiscal year 1979, both expenditures and number of children served will remain at the following levels:

School Year	Funds	Number of Children Served
1975-76	$7,000,000	14,800
1976-77	7,000,000	13,800
1977-78	7,000,000	14,000

State Administration of Programs

There is no separate SADC administrative office. Both state and Federal programs are managed by the Compensatory Services Division

of the state Department of Education. There are four full-time and four part-time professionals employed to process applications and to monitor and evaluate Title I and SADC programs. One full-time professional works solely with state programs.

State evaluations are based on test results. The State also monitors local programs through site visits. These visits involve conversations with parents, students, teachers, and paraprofessionals about the structure and impact of local programs.

In the 18 districts receiving over $200,000 in Title I funds and correspondingly large amounts of SADC money, the State makes a more intensive monitoring effort using a team monitoring process. For at least half of these districts, one member of the team is a budget specialist from the Grants Processing Division. Comparability is an important consideration in the SEA management effort. To give LEAs direction on comparability, the SEA holds autumn workshops on comparability determination, as well as spring workshops on preparation of applications.

FLORIDA

Name or Description of Program

Florida State Compensatory Education Program.

Funds Distribution

The funds for the State Compensatory Education Program are distributed according to a formula based on test scores. The population generating funds is composed of students in grades K-12 who are identified as needing special educational assistance in basic skills. Funds are allocated to districts on the basis of numbers of students in the district in grades 3, 5, 8, and 11 whose scores on statewide student assessment tests are at the 25th percentile or below.

Student Selection

Each district administers its own assessment test and identifies individual students whose scores indicate their need for direct remedial instruction.

Schools served by Title I can receive SCE money, and the SEA has developed five models to assist districts in coordinating Title I and SCE. This coordination procedure ensures that Title I students receive a proportionate share of SCE funds.

Types of Services Funded

Programs must provide remedial instruction in basic skills areas. State money may be used to pay for teaching, testing, and evaluation costs associated with a planned instructional program. The money may not be used to support administrative positions or to pay for development of programs or materials.

Requirements of Districts

In order to be considered for state funds, districts must submit to the state Commissioner of Education a description of the programs planned in each school. Each program description must include the following elements: descriptions of non-state-funded remedial and compensatory programs conducted during the preceding and current years; estimates of the numbers of students, teachers, aides, and others who will be included in the proposed SCE program; evidence that targeted students have been identified as needing special educational assistance and assurances that the program will meet the students' needs; budget estimates for the proposed programs; and descriptions of procedures that will be used to enable districts to evaluate the supplemental nature and the overall effectiveness of each school's programs.

The districts administer tests to students of all grade levels. These tests must be capable of producing a valid measure of basic skills. Beginning in 1978-79, these tests will produce comparative scores between districts. Each district conducts annual evaluations of the programs to find out whether program plans have been carried out. The state and local funds expended in the SCE programs must be accounted for separately from all other funds expended by the districts. Districts submit to the Commissioner yearend reports on the fiscal and instructional aspects of their programs and results of evaluations.

Recent Funding Levels and Number of Children Served

The program was first implemented on July 1, 1977, for school year 1977-78. Data on funding levels or number of children served have not been reported.

State Administration of Programs

The state Division of Public Schools provides technical assistance to districts and carries out the state Department of Education's responsibility for reviewing, monitoring, and evaluating programs. The Commissioner of Education prepares an annual report for the state Board of Education and the legislature. The report shows the number of students participating, growth in achievement levels in basic skills, identification of the programs that appear most successful (based on achievement gains), and analysis of expenditures in each district.

GEORGIA

Name or Description of Program

Georgia's state-funded Compensatory Education Program (CEP) began in fiscal year 1976. The implementation of the CEP corresponded to the enactment of the Adequate Program for Education in Georgia (APEG).

Funds Distribution

The funds for CEP are distributed by using an allocation formula. The state Board of Education estimates annually the number of children in Georgia needing compensatory education and the costs of serving these children. CEP funds serve all the school districts in Georgia. There is no income criterion.

Until July 1, 1980, the first $10.25 million of the annual appropriation is distributed to districts on a prorated basis of projected average daily attendance in the elementary grades. Funds in excess of $10.25 million are distributed to LEAs on a needs basis as determined by appropriate test results. The state research and development staff calculates the number of low achievers for each district relative to the total number of low achievers in the State, and the State uses this proportion to allocate funds to districts. The needs assessment in fiscal year 1978 was based on the proportion of students in each local system failing to achieve 10 or more of the objective of a locally administered 4th-grade criterion-referenced reading test. After July 1, 1980, all CEP funds will be distributed on the basis of educational need.

Student Selection

CEP concentrates on elementary school children who are below grade level. Beginning in school year 1978-79, CEP will serve children in grades 2-6; funds have previously served grades 1-5.

Types of Services Funded

CEP funds are used mainly to pay salaries. In fiscal year 1977, the State paid salaries to 318 professionals and 1,687 paraprofessionals. A small amount of state money pays for books and equipment. No ancillary services are funded.

Areas of remedial instruction are left to the discretion of the local school district officials. Use of pullout or mainstream techniques is also a district option. State officials report that most compensatory programs consist of direct instruction by an aide in small groups that may or may not meet in the classroom.

Children may be selected for both Title I and CEP services.

Requirements of Districts

No proposals or applications are required of the districts. Each district allocates its proportion of CEP money to schools on the basis of need. Districts must follow state guidelines concerning the age and achievement levels of the children in schools selected for services.

No evaluation is required; however, each district must submit an annual budget accounting to the legislature. It must show how many children were served and how much money was spent for salaries as well as for equipment.

Recent Funding Levels and Number of Children Served

School Year	Funds	Number of Children Served
1975-76	$10,246,750	144,000
1976-77	10,246,747	144,351
1977-78	12,746,747	144,730

State Administration of Program

The CEP program is managed by one professional in the state Department of Education. There is limited opportunity for monitoring and evaluation. The State has little control over programs due to the attendance formula and the discretionary nature of the programs.

State officials report that CEP programs are not exempted from comparability determinations.

HAWAII

Name or Description of Program

The two state compensatory education programs in Hawaii are the Comprehensive School Alienation Program (CSAP) and Act 4.

Funds Distribution

CSAP funds are distributed to each district through a formula grant based on a district's dropout count and the proportion of students to be served for each grade. Potential dropouts are identified through use of a screening instrument developed by the state Department of Education. Grades, attendance levels, and recommendations of teachers are considered in the identification process. The Superintendent of Education has some additional discretion over the distribution of the funds.

The Act 4 program serves native Hawaiian children at the preschool and elementary levels only. Public and private agencies serving children of Hawaiian Home Lands lessees submit proposals to the State. An Act 4 Advisory Committee reviews project proposals and recommends grants to the Superintendent of Education.

The Act 4 funding process involves procedures that are characteristic of both competitive grants and entitlement programs. To the extent that the amount of money a district will receive reflects a proposal's merit, the program is similar to a competitive grant. On the other hand, because every Hawaiian homesite will receive funding for at least one project, the program is somewhat like an entitlement.

Student Selection

The target population of CSAP consists of dropouts and potential dropouts aged 9-19. Most of the students served are native Hawaiians.

The Act 4 program serves Hawaiian homeland populations.

Types of Services Funded

The legislation states that CSAP funds are used to prevent the increase of student dropouts through an identification and reporting system, counseling and guidance, tutorial-remedial services, supportive services, work experiences, and inservice training. Parental involvement is required. Within these guidelines, districts are free to structure their programs according to need.

Act 4 funds preschool programs, basic skills improvement (especially in reading and language), and motivational activities. Parental participation is required. Act 4 programs are directed and developed by the state Department of Education in consultation with the University of Hawaii.

Requirements of Districts

Districts must prepare annual applications for CSAP funds. The applications contain program description information and budget plans.

LEAs perform annual self-evaluations. Program impact is assessed on the basis of retention rates of potential dropouts and on the degree to which CSAP students participate in the regular school program.

Act 4 programs are evaluated annually using student achievement gains. Public and private agencies must submit annual requests for proposals (RFPs) to continue or initiate funding.

Recent Funding Levels and Number of Children Served

CSAP

School Year	Funds	Number of Children Served
1976-77	$1,728,110	2,325
1977-78	1,846,394	2,690

Act 4

School Year	Funds	Number of Children Served
1976-77	$341,750	990
1977-78	341,750	918

State Administration of Programs

The Administrator for Compensatory Education in the state Department of Education administers CSAP, Act 4, and Title I. The state Department of Education provides site visits and technical assistance for both CSAP and Act 4. Fiscal monitoring is done annually through a centralized fiscal system.

MARYLAND

Name or Description of Program

The funded compensatory education program in Maryland is the Density Aid Program[1].

Funds Distribution

The Density Aid Program is a formula grant program based on population density. It may serve areas with populations of 8,000 or more per square mile; only Baltimore has sufficient population density to qualify for Density Aid funds.

Student Selection

The target population is elementary and secondary school students who have special educational needs resulting from educationally or economically disadvantaged environments. Selection criteria are based on a count made of free lunches and on scores from norm-referenced achievement tests. The cutoff point is graduated; at the 4th-grade level, for example, students are eligible or services if they score at or below the 31st percentile in language, the 33d percentile in reading, or the 23d percentile in mathematics.

Requirements of Districts

Baltimore must submit an annual program plan to the State for review. The city must evaluate its programs, but these evaluations are not at the same level of specificity as Title I evaluations. Exemption of Density Aid funds from comparability requirements is a district option.

The district attempts to ensure that designated children receive services paid for with Density Aid funds.

Types of Services Funded

Two-thirds of Baltimore's Density Aid allocation is used to fund compensatory education programs; the remaining one-third is used as general revenue. Almost all of the money in compensatory education programs is spent on direct instructional services, and salaries are the largest expenditures. In the 1977-78 school year, Baltimore schools employed about 900 staff members for Density Aid programs.

When distributing Density Aid monies, Baltimore district officials select city schools on the same basis as Title I schools; it may also use funds in secondary schools. Students are eligible for both Title I and Density Aid services, and approximately 40% of the eligible students receive services from both programs.

Recent Funding Levels and Number of Children Served

School Year	Funds	Number of Children Served
1975-76	$13,000,000	48,732
1976-77	11,000,000	NA
1977-78	11,000,000	80,330

State Administration of Programs

The Title I field supervisor for Baltimore City administers the Density Aid Program. The State reviews the city's application proposal each year. There is no staff at the state level for monitoring the Density Aid Program other than the Title I staff. Monitoring is done primarily through the Density Aid application. In addition, the State visits about 25% of the Baltimore schools each year.

[1] In 1974, the state legislature authorized the Article 77 compensatory education program; to date, funds have not been appropriated under this legislative authority.

MICHIGAN

Name or Description of Programs

Michigan's two major compensatory education programs are Article 3 and Section 48.

Funds Distribution

The funds for Article 3 are distributed according to formula based upon test scores. Eligibility for funding in Article 3 differs from Title I in that district eligibility is based on the results of a statewide assessment test that is administered each fall to all Michigan 4th- and 7th-grade pupils. Eligible districts are those having at least 15% of their students, and not less than 30 students, in grades K-6 that have attained 40% or fewer of the reading and math objectives measured by the assessment test.

Each participating district receives $250 for each eligible pupil. The number of pupils eligible to receive funding is based on the average assessment results for 3 previous school years.

Not all Michigan districts are presently or have been program participants because districts are ranked in descending order by the percent of concentration of eligible pupils. Funding is in descending order from highest to lowest concentration of pupils.

Section 48 funds are also distributed according to formula. Its legislation authorizes the payment of $7,500 to a school district for each full-time professional staff member in the program. Reimbursement rates, however, have not kept pace with the demand. In 1974, the first full year of Section 48, districts received the authorized rate of $7,500 for full-time staff. During 1978, however, the reimbursement was $4,688.99, even though the appropriation was $1.5 million. The reduced reimbursement per full-time equivalent staff has caused some districts to withdraw from the program.

Student Selection

Article 3 programs serve the lowest achieving children in districts having the largest concentrations of such children. Section 48 programs serve youth who have been described as having social adjustment problems. Students may be identified for Section 48 program services through referral from the courts or through recommendation by a screening committee.

Types of Services Funded

Article 3 funds may be used for employment of educational personnel, purchase of instructional devices, leasing of portable classrooms, inservice teacher training and staff development, and nutrition and health services for students. Districts are encouraged, however, to concentrate funds on instructional services in basic skills areas.

Great variation in the degree of overlap exists between Title I and Article 3 programs in Michigan schools. In some schools, Federal and state compensatory programs are jointly funded; in others, Article 3 and Title I classes are entirely separate. About 60% of the students served by Article 3 are in Title I schools.

The State attempts to encourage use of mainstream rather than pullout techniques in Article 3 programs; nonetheless, the decision itself is left to the districts.

Section 48 programs may be full-time alternatives to the regular school curriculum, part-time alternatives, or regular supportive services to the regular school program. The programs aim to provide remedial reading, mathematics instruction, and social rehabilitation. They are also intended to provide a viable community-based alternative to the school and courts in dealing with students eligible for program services.

Requirements of Districts

A district in an Article 3 program prepares an annual application that includes program description data and budget plans. A district may change budget categories or expenditures during the year. LEAs must also perform an evaluation at the end of each year. The evaluation includes pretest and posttest scores. The districts provide a cost accounting and return any leftover money to the State. Exemption of funds from comparability determinations is a district option.

To receive Section 48 program funds, a district must include a needs assessment and stated performance objectives. Plans for the mandated self-evaluation must be approved by the state Department of Education.

Recent Funding Levels and Number of Children Served

Article 3

School Year	Funds	Number of Children Served
1976-77	$22,500,000	112,500
1977-78	28,500,000	111,000
1978-79	30,700,000	NA

Section 48

School Year	Funds	Number of Children Served
1976-77	$ 1,100,000	1,000
1977-78	1,500,000	7,867
1978-79	1,700,000	8,250

State Administration of Programs

There is a separate state unit for administration of Article 3. The unit has four full-time staff members. State officials are considering a new administrative system in which SCE and Title I administrators would divide functions rather than programs. Under the new system, for example, one professional would oversee evaluation procedures for both Article 3 and Title I programs.

The State cannot shape the budget items submitted by districts. Thus, state officials' administrative function is to evaluate Article 3 programs. Evaluators use state assessment data and local testing data to identify schools with weaker programs. The State concentrates its evaluation efforts on these schools.

Section 48 is administered by the state Title I office. State-level personnel conduct site visits to Section 48 projects and explain program concepts.

NEBRASKA

Name or Description of Program

The Nebraska compensatory education effort is the Program for Culturally and Educationally Deprived Students. The funds for the program are provided by the State through Equalization Aid.

Funds Distribution

The State Aid Law distributes the annual $55 million appropriation in a multistep process. The Foundation Aid Program has first priority on funds. Foundation Aid funds are distributed to all districts on the basis of average daily membership.

Incentive Aid has second priority. Funds are distributed on the basis of degree levels of the district's teaching staff and students' summer school attendance levels. Only school districts that have a general fund levy at or over a "qualifying levy" set by law are eligible for the incentive payment.

The third priority for funding is Equalization Aid, which provides funds for SCE services.[2] In 1977-78, districts received about 94% of the amount of equalization money they requested. Because the program is not forward-funded, districts are reimbursed at the end of each school year for costs in the previous one.

To calculate its needs for the Program for Culturally and Educationally Deprived Students, a district may count only those children who meet both the cultural and the educational criteria. Local schools determine cultural deprivation.[3]

Determinations of educational deprivation are based on test scores. Districts select and administer appropriate standardized tests that use national norms. Students are defined as educationally deprived if they perform at the following levels:

- Kindergarten--referral by committee
- Grades 1 and 2--test below 40th percentile or one-half grade level below
- Grades 3-12--test below 30th percentile or one grade level below

Student Selection

The program serves culturally and educationally deprived children.

Types of Services Funded

Districts submit a plan to the State detailing the kind of programs they intend to offer. Regulations specify that students must participate in these programs for 140 hours during the school year, or 48 minutes per day for 175 days. Arrangements other than one period a day are acceptable. Most instruction is in mathematics and reading.

Although they identify special populations when assessing total needs, districts receive all state aid money in a single amount as a reimbursement for the past year's efforts. Districts are not required to fund special programs for deprived students. State officials report that most districts do choose to fund such programs.

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[2] To receive equalization money, a district must demonstrate that its projected needs are greater than its accountable receipts. The major part of a district's needs falls in the category of "basic need." Statutory provisions entitle the districts to claim a certain amount of money for each pupil. This basic need can be increased if any one of the following conditions is met: (1) the district population is especially sparse; (2) the district has had an increase in enrollment; (3) the district has a gifted-student program; (4) the district has a program for culturally and educationally deprived children; or (5) the district has a transportation need. These factors are weighted in the process of calculating the district's total needs. For example, an educationally deprived student generates twice the amount of money allocated for a nondeprived child. The sum of these special needs together with the basic need is the district's total need. The total receipts are subtracted from the total needs. If receipts exceed needs, the district receives no extra money for equalization. If needs exceed receipts, the district is eligible for equalization funds. Since not enough dollars remain from the $55 million appropriated to pay the full amounts that the districts request, the amount remaining after Foundation and Incentive Aids have been funded is prorated among the districts that qualify for equalization. Because the absolute number of qualified districts has decreased in recent years, those qualified districts have received incrementally larger amounts in each succeeding year.

[3] They are guided by the state law, which defines a disadvantaged child as one whose family environment materially affects the child's attitude or his ability to achieve at his class level; who comes from a broken home; or whose background has been or is of such nature as to restrict normal progress in the school setting and who therefore is performing significantly below grade level while having the mental ability to do passing work.

Districts may include Title I children in the "deprived" classification of the needs calculation only if those children fall below state achievement cutoffs and if the children receive 140 or more hours per year of Title I compensatory instruction.

Requirements of Districts

Districts that wish to receive state aid for deprived children must establish the legitimacy of their program by submitting a plan to the State. Districts must file a letter stating their intent to request state aid for special programs for the deprived. The letter of intent gives a brief program description and number of students to be served. After filing the letter and having the program visited by SEA officials to see if it meets established criteria, the district applies for funds. The application contains the number of participating students, pretest scores, assurances that the child is culturally deprived, a description of the program, a proposed budget, and proposed evaluation procedures.

Districts must evaluate the effectiveness of their programs. State guidelines caution that local programs will not be re-funded if the districts cannot show positive results; these guidelines also suggest use of posttesting for evaluation.

Exemption of state funds from comparability determinations is entirely a district option.

Recent Funding Levels and Number of Children Served

State law mandates the funding level at $55 million for all state aid, i.e., Foundation Aid, Incentive Aid, and Equalization Aid. In 1975-76, $29.3 million was used for Equalization Aid. In 1977-78, Nebraska served 5,304 culturally and educationally deprived children. Levels of funding and service for other years are not available.

State Administration of Program

The State is forbidden by law to exercise any discretionary power over funds made available; state officials may not require districts to spend money on special programs. However, the State must approve a district program funding proposal before funds are released initially.

The Supervisor of State Aid administers the Program for the Culturally and Educationally Deprived as well as the other special programs. The Supervisor receives posttest data from the district and performs site visits. State auditors review district budgets periodically. Title I evaluators do not monitor state programs; however, they do monitor Title I programs to see whether there are students qualifying for equalization payments.

NEW JERSEY

Name or Description of Program

The New Jersey State Compensatory Education Program began during the 1976-77 school year.

Funds Distribution

State compensatory education (SCE) funds are distributed on a formula basis. Districts are funded through categorical state aid based on the number of students provided preventive or remedial services, up to a maximum number of students determined for each district by the Department of Education.

As a result of the state minimum pupil proficiency level requirement, the department established a maximum number of students eligible in 1977-78 for funding from SCE aid for 1978-79. The formula was developed by the utilization of data and weighted factors which indicated the severity of economic need and severity of educational need. For the educational need portion of the formula, both the numbers of students who scored below the state mastery level on the statewide assessment test and the degree of the need were considered.

Student Selection

Funds serve low-achieving students districtwide without regard to income. After assessing the results of data from standardized instruments, the districts are required to validate the testing results to determine if remedial or preventive services are needed.

The SCE program is focused on both remediation and prevention of failure. In addition to assessment of academic need, consideration is given to social, health, and environmental needs.

Documentation of the assessment and student selection for SCE-funded services is reviewed during the monitoring conducted by the department staff.

Types of Services Funded

The districts are required to identify student needs and to develop the basic skills (communication and computation) programs to meet those needs. Cooperative planning is essential to provide activities or services (preventive and remedial) funded in whole or in part with SCE aid in grades K-12.

In addition to categorical aid, a state-funded compensatory education research and development program was legislated. The amount was authorized at $2.1 million, 3% of the categorical aid for 1978-79. However, SCE research and development (R&D) funds were appropriated at the reduced amount of $1.1 million. Competitive grants are awarded to districts for projects developed in response to requests for proposals (RFPs).

Requirements of Districts

Districts are required to develop a basic skills plan as a section of the annual reporting system. Before preparing the plan, the district conducts a comprehensive needs assessment. The plan provides detailed information related to needs assessment procedures, number of students eligible, skills to be addressed, relationship of remedial and preventive activities and services to the developmental basic skills program, provisions for communication with parents, evaluation design, and budget proposals with breakouts for salaries, equipment costs, health services, etc. At the end of the school year, all districts are required to evaluate their programs through an analysis of pre- and posttest results and other data and to report their progress to state officials.

Recent Funding Levels and Number of Children Served

School Year	Funds	Number of Children Served
1976-77	$33,000,000	209,224
1977-78	63,000,000	379,967
1978-79	68,000,000	370,900 (projected)

State Administration of Program

Administrative functions are divided between the centrally located staff and the 21 county offices. The centrally located staff develops procedures for the review, approval, and monitoring of activities. Actual administration of SCE programs is carried out by the county offices. The SCE R&D program funds are administered directly by the central staff.

NEW YORK

Name or Description of Program

Pupils with Special Educational Needs (PSEN) Program.

Funds Distribution

Funds are distributed by an allocation formula. It is based on student achievement and indexed to student performance by district in 1974 and 1975. The percentage of scores on the statewide Pupil Evaluation of Reading and Mathematics Test falling at or below the 23d percentile generates additional pupil-units; 3d- and 6th-grade student scores on the 1974 and 1975 tests serve as base year data for purposes of allocating aid. At the elementary level, pupil-units generate 1.0 unit of operating aid and an additional .25 units of categorical aid for compensatory programs. At the secondary level, pupil-units generate 1.15 units of operating aid and .25 units of categorical and compensatory aid.

Student Selection

The target population is students 2 years or more below grade level, or in the 25th percentile or 3d stanine, or lower on standardized reading and math tests. Students in grades below grade 3 whose readiness levels indicate that they will fall 2 years or more below grade level by entry into grade 3 are also defined as educationally disadvantaged. Pupils may continue in the program even when they exceed the initial program eligibility criteria through improvement up to the 30th percentile, or 4th stanine, in reading and mathematics test scores. A maximum of 30% of the pupils in a given instruction component need not conform to the academic disadvantage requirement. This provision allows for the integration by race, ethnic group, academic ability, sex, or other criteria. The reasons for their inclusion must be documented and justified to the SEA.

Types of Services Funded

The PSEN program has a strong focus on reading and mathematics instruction. State guidelines direct districts to meet all reading and mathematics needs across the district before using any PSEN funds for other activities such as language arts, social studies, or science. New York encourages mainstream approaches, although districts may choose among instructional strategies to meet their needs. About 35% of PSEN funds are used at the secondary level.

Requirements of the Districts

Each district must prepare and file for public scrutiny a 3-year plan, which is on file in the district, describing how PSEN funds will be used. There is no formal or annual application, and funds flow automatically to the district on the basis of the allocation formula. Funds may be recovered if a district uses them to provide unauthorized services.

Districts must use valid and reliable achievement data to identify eligible students. For grades K-2, districts can use carefully developed instruments or observation scales.

Districts submit an annual program plan and a budget. The budget details expenditures in the categories of reading, mathematics, and bilingual activities. Districts conduct a yearly self-evaluation, using either in-house consultants or contractors.

Districts must distribute these funds equitably across all buildings in relation to assessed needs. They may either include or exclude PSEN funds from comparability determinations in accordance with Title I regulations.

Recent Funding Levels and Number of Children Served

School Year	Funds	Number of Children Served
1975-76	$140,000,000	429,000
1976-77	125,000,000	430,000
1977-78	147,000,000	450,000

State Administration of the Program

The state funds may be used in conjunction with Title I and other funds; however, a separate accounting must be prepared. Evaluation and monitoring are provided by the fall annual program report and evaluation, SEA district audits, site audits conducted by the Department of Audit and Control, and site monitoring visits conducted by the Division of State Educational Opportunity of the SEA.

Cross-monitoring of PSEN programs by Title I and Title I migrant staff occurs as part of their activities in monitoring Title I; PSEN staff also cross-monitor Title I. Four full-time professionals in the PSEN unit under the part-time direction of the Director of State Educational Opportunity Programs administer PSEN programs.

OHIO

Name or Description of Program

Disadvantaged Pupil Program Fund (DPPF).

Funds Distribution

DPPF is a formula-based program. A school district is eligible for DPPF funds if it has enrolled 50 children, ages 5 to 17, from families receiving AFDC grants.

Student Selection

Funds can serve children at the primary and secondary levels. The State provides clear guidelines to assist districts in targeting funds on individual students. Eligibility of students is determined on the basis of the needs assessment drawn up by the district. Students may be eligible for services on the basis of academic, cultural, emotional, or health needs. The State uses objective tests comparable to those administered for Title I in identifying low-achieving students.

Types of Services Funded

Both academic achievement programs and auxiliary services are funded under DPPF. The State authorizes academic achievement and remedial programs, adaptation of curricula methods and materials, cultural enrichment experiences, dropout prevention, home-school and adult education programs, improvement of communication skills, improvement of health and related services, improvement of library services, motivational and self-image development, and safety and building security. State officials estimate that at least 67% of the state funds go to academic programs.

To implement all of these programs, funds may be used to pay counselors, paraprofessionals, teachers, and security guards; to provide preservice training; to provide special take-home learning kits; to provide special tutoring and special classes; and to provide camp, farm, or environmental education.

Children may be served by both Title I and SCE funds. The State urges districts to divide Federal and state funds among different grade levels. For instance, a child that is served by Title I money in grades 1-3 may be served by DPPF money in grades 4 and above so that he will receive continuous service.

The State helps guide districts in deciding whether to use pullout or mainstream instruction. State officials note that there has been a recent general trend away from the pullout and toward the mainstream technique.

Requirements of Districts

Each district must conduct a needs assessment and must develop a program based on specific goals. Applications for SCE money are separate from Title I applications. Districts must conduct annual self-evaluations and submit the results to the Office of the Assistant Superintendent for Public Schools. On both the application form and the evaluation report, districts must include budget breakouts. Expenditures must be categorized by program use (e.g., academic programs, dropout prevention programs, health care programs). In addition, districts must show how money is spent within each specific program.

The decisions to exclude SCE funds from comparability determinations are a district option.

Recent Funding Levels and Number of Children Served

Fiscal Year	Funds	Number of Children Served
1975-76	$32,670,652	1,300,000*
1976-77	32,620,072	1,568,885
1977-78	66,000,000 (biennium)	NA

*Figure is approximate.

State Administration of Programs

The DPPF program is administered in an office separate from the Title I office. The SCE office employs 16 staff members. Both the DPPF director and the Title I coordinator report to the assistant superintendent.

The State guides and monitors the districts. State officials meet periodically with district officials to review district self-evaluations and to advise districts of ways to improve local programs. The state monitoring teams visit every district at least once in every 3 years. The SEA also conducts annual impact evaluations for the state legislature.

OREGON

Name or Description of Program

The Disadvantaged Child Project.

Funds Distribution

Funds are distributed according to an allocation formula.

A district must have an average daily membership of 50,000 to qualify for state compensatory education funds. Portland is the only city to meet this requirement.

Student Selection

Disadvantaged children in Portland's elementary and secondary schools constitute the target population. Disadvantaged children are defined as those from socially or culturally deprived backgrounds requiring supplemental facilities and services in order to profit in regular school programs to the same extent as other children. Most of the children served are enrolled in non-Title I schools, although Title I schools are eligible for services. The decision in selecting grade levels for service is left up to the district. Most of the state money is concentrated in elementary schools.

Types of Services Funded

Teachers' aides, teacher interns, reading laboratories, educational media, and field trips are all financed by the Disadvantaged Child Project. Four alternative programs included in the project are the Albina Youth Opportunity School, Early Childhood Education Centers, the Follow Through Program, and the Administrative Transfer Program. Funds may also be used for such noninstructional services as counseling and guidance programs, cafeteria service, and transportation. The Portland school district officials make all decisions on division of funds between instructional and ancillary services and on use of pullout or mainstream techniques.

Requirements of Districts

Portland is not required to send application or evaluation information to the state Department of Education. The district usually voluntarily submits budget proposals and end-of-the-year accounts, as well as some general impact data. The exclusion of these funds from comparability is a district option.

Recent Funding Levels and Number of Children Served

School Year	Funds	Number of Children Served
1975-76	$1,000,000	NA
1976-77	2,000,000 for the biennium	6,000
1977-78		6,500

In addition, the Portland school district allocated $50,000 of local funds for compensatory education programs.

State Administration of Program

The state Department of Education is not involved in the administration of the project. Money flows through the state department directly to the Portland school district. The State has no authority to monitor or evaluate the programs.

RHODE ISLAND

Name or Description of Program

Rhode Island compensatory education is provided for under the Section 4 program.

Funds Distribution

Funds are distributed according to an allocation formula.

Rhode Island's compensatory education program is patterned on the Title I program. Schools are ranked by the districts according to the Title I criteria. First priority is given to schools operating Title I programs. If all eligible children in Title I schools are served, then a district may elect to allocate funds to non-Title I schools. A school district may use Section 4 funds in schools that are Title I eligible but not receiving Title I funds. However, any services offered to children in these schools must also be offered to children in those Title I schools already having a program.

Student Selection

The target population for Section 4 is the disadvantaged child as defined by Title I criteria. Students are selected using achievement test criteria, and generally are those whose scores are in the lowest quintile on standardized tests.

Types of Services Funded

The Section 4 program funds compensatory education services comparable to those provided under Title I. Districts generally elect to run separate Title I and Section 4 programs, although smaller districts may jointly fund a single program. There is a strong focus on providing instructional services, mostly in pullout classroom locations, but several ancillary services are allowed by state guidelines. These services include the provision of clothing, food, guidance, health care, and transportation.

Requirements of the Districts

Districts must submit an annual application and provide the SEA with such descriptive data as the number of eligible children and proposed services. Districts must conduct an annual evaluation of the Section 4 programs according to guidelines prepared by the SEA.

Recent Funding Levels and Number of Children Served

School Year	Funds	Number of Children Served
1975-76	$2,000,000	15,000
1976-77	2,000,000	NA
1977-78	2,000,000	NA

State Administration of the Program

The state staff reviews both the Title I and the Section 4 applications in the same timeframe. The state office is considering the use of a consolidated application to provide basic program description data. The districts also file quarterly budget reports broken out by line item, although the particular budget lines change. Three professional content specialists monitor the program by reviewing applications and conducting comprehensive site visits.

TEXAS

Name or Description of Program

The compensatory education program for Texas was established by House Bill 1126 of the 64th Legislature (1975).

Funds Distribution

Funds are distributed according to an allocation formula like that of Title I; the Title I low-income criterion is used. Each district in Texas is eligible for funds, and the amount received is based upon the number of low-income children in each district.

Student Selection

SCE money is targeted at educationally deprived students. Selection of these children is based on the best available local data. Although state money can be used for secondary school students, state officials estimate that 80% is spent in elementary schools.

Types of Services Funded

The services funded by the SCE program supplement those provided by Title I. Most of the funds have been spent for personnel. The instructional services may also include reading, mathematics, bilingual education, and staff development activities. Once the need for instructional services is met, supportive services such as medical and dental care or hot lunches may be provided.

The structure of the program is left up to each local district. Districts have a wide range of choice in the way they can combine Title I and SCE funds. Smaller schools may combine Title I and SCE money to hire one teacher who will serve all compensatory education students; larger schools that can afford to separate funds might spend Title I money to hire teachers and use SCE money to buy instructional materials. SCE funds are used in both Title I and non-Title I schools in accordance with the equitably provided provisions of Title I.

Requirements of Districts

Districts submit applications for SCE funds. They also evaluate their programs by pretesting and posttesting participating students.

Exclusion of SCE funds from comparability determinations is a district option.

Recent Funding Levels and Number of Children Served

School Year	Funds	Number of Children Served
1975-76	$22,321,978	271,084
1976-77	23,985,839	242,342

The maximum authorized funding for the SCE program is $25.4 million.

State Administration of Program

Fifty employees in the state Division of Federal Funding administer both Title I and SCE programs. State evaluation of SCE programs is not required by the legislation, although the Texas SEA requires evaluation of the program. The State conducts audits and site visits; it also monitors Title I, Title I migrant, and SCE programs concurrently. Results of the mandated pretests and posttests given at the district level are made available to state evaluators.

UTAH

Name or Description of Program

The compensatory education program in Utah was included in the general school finance program approved by the legislature in 1973.

Funds Distribution

Funds are distributed according to an allocation formula.

All 40 districts are included in the program. Funding is based upon the number of economically disadvantaged children. The four categories of disadvantaged pupils are as follows:

- Pupils who come from low-income families (determined by a free-lunch count)
- Pupils living in foster homes
- Pupils in families receiving funds from the Aid to Families with Dependent Children Program
- Neglected and delinquent children living in institutions within the school district

Available state funds are allocated proportionately to school districts on the basis of the number of children in the district who fall into these categories as compared with the total number of children in these categories in all districts. State guidelines require SCE programs to be supplementary and to benefit directly the targeted students.

Student Selection

At the school level, the target population is those children who are significantly below grade level. Low achievers are selected through use of an assessment test chosen by the district.

Types of Services Funded

Most state funds are used for instructional services, although districts may also choose to fund auxiliary services. Since the compensatory education program is one of seven programs operating under a single legislative authority, districts have the option of using monies for these programs either singly or in any combination desired. Funds from one category can be used in any other category.

Children may receive both SCE and Title I services. State funds can be used at both the elementary and secondary levels. In fiscal year 1978, three of the participating districts funded programs in secondary schools only; three districts had only elementary-level programs; and seven funded programs at both levels.

The decision to organize the program based on pullout or mainstream techniques is left to the district. State officials report a general trend toward use of mainstream techniques.

Requirements of Districts

Districts send a project description form to the state Director of Compensatory Education. They must maintain a list of disadvantaged students included in the program and must provide a general description of the proposed program.

Districts perform annual self-evaluations. Each district monitors and evaluates its own program and sends evaluation results to the state Director. Evaluation reports describe general program strengths and weaknesses and include students' pretest and posttest scores showing average monthly achievement gains. Reports also provide information on number and grade levels of students served, cost per student, extent of parent involvement, and number of professionals and aides employed.

Exclusion of SCE funds from comparability determinations is a district option.

Recent Funding Levels and Number of Children Served

School Year	Funds	Number of Children Served
1975-76	$850,000	5,552
1976-77	916,300	5,783
1977-78	881,3288	N/A

State Administration of Program

The State provides general technical assistance to the districts and compiles an annual evaluation of all programs. The Director of Compensatory Education works extensively with local personnel and visits every district once a year to conduct on-site reviews.

The Utah SCE program is administered by an office separate from Title I in the Technical Assistance Division of the state Department of Education. The Director of Compensatory Education, who also helps to direct bilingual, bicultural, and foreign language programs, is the state administrator responsible for compensatory education.

WASHINGTON

Name or Description of Program

Washington's compensatory education program is called the Urban, Rural, and Racial Disadvantagement (URRD) Education Program.[4]

Funds Distribution

The URRD is a competitive grant program. Grant proposals are submitted by private and public agencies to the district program office. Proposals must be approved by the district office, by the State Advisory Committee, and by the Office of the Superintendent. Durations of grants vary, although a project may be funded for 3 years; some districts have entered a second funding cycle. Agencies applying for continuations of grants apply in the same manner as those applying for the first time.

The State has set the following requirements regarding the target population to be served by an URRD program:

- At least 50% of the children enrolled in URRD preschool programs must come from families earning at or below a specific income level determined by each district.
- At least 50% of all students served by academic achievement programs of URRD shall be enrolled students who are achieving below grade level on whatever standardized tests are currently used in the school districts to be served. Where target students are identified by means other than achievement tests, the mean average raw score of the target group must be significantly lower than that of the peer group, or at least 50% of the target group must indicate a grade equivalency of at least 6 months below the norm.
- At least 50% of those served by the bilingual-bicultural education programs must be children for whom English is not the dominant language.
- At least 60% of the children participating in URRD Indian education programs must be those identified as Indians.

Student Selection

The target population is composed of disadvantaged children from preschool through secondary school, including dropouts who wish to reenter. Approximately 60% of state funds are spent at the secondary level and 40% at the elementary level.

Types of Services Funded

A wide variety of programs may be funded under URRD, such as reentry motivation programs (for dropouts and potential dropouts), preschool education programs, academic achievement programs, bilingual-bicultural education programs, and Indian education programs.

The State funds a number of grants to establish alternative high school programs. These programs serve a selected population of students in nontraditional learning environments and provide a full range of activities. They constitute a comprehensive alternative to the public school system.

The average per-pupil expenditure is $200. Three-quarters of the URRD money is used for instructional services. State regulations specifically prohibit the use of program funds for services such as student activity expenses and hot-lunch fees; however, funds may be used for ancillary services such as counseling and medical care. Approximately one-quarter of the state money is spent on such services.

Requirements of Districts

Districts must review all grant proposals and must approve them before submitting them to the state advisory committee for consideration. The districts evaluate their own URRD programs by collecting program description data and information on student improvement. The district also provides fiscal data with budget breakouts for each local program. All the evaluation material is sent to the State at the end of each fiscal year.

Exclusion of SCE funds from comparability determinations is a district option. Many districts choose to include state funds in comparability calculations.

[4]The Culturally Disadvantaged Program (CDP), which began in 1965, was terminated in 1975.

Recent Funding Levels and Number of Children Served

School Year	Funds	Number of Children Served
1975-76	$4,500,000	36,198
1976-77	NA	NA
1977-78	5,032,740	NA

State Administration of Programs

The Grants Management Section in the Division of Special Programs and Services has overall responsibility for administering URRD, Title I, and Title I migrant programs. Different program offices in this division, however, have separate responsibilities for URRD and Title I.

Educational Service District staff supported by the Grants Management Section monitor both Title I and URRD by site visits and review of internal evaluations submitted by districts. There are one full-time monitor and several part-time staff members in the SCE evaluation division. Statewide evaluation of all URRD projects had previously been done by a third-party evaluator, but it was discontinued 2 years ago. Beginning with fiscal year 1977, the evaluation section of the Office of Superintendent of Public Instruction will conduct a limited evaluation of URRD.

WISCONSIN

Name or Description of Program

The Wisconsin compensatory education program is the Special Educational Needs (SEN) Program.

Funds Distribution

SEN is a competitive grant program and supports at least 30 projects, none of which are permanently funded. Grants may be awarded to LEAs for 3 years.

Public and private agencies may apply for funds. SEN's target population is low-achieving children from socially, economically, and culturally disadvantaged populations. In order to compete for funds, agencies must develop programs meeting the needs of these populations.

In fiscal year 1978, the State required that agencies receiving grants must contribute 25% of the total project budget from local funds. Title I funds may not be used as part of the LEA's share.

Student Selection

To target funds to specific children, LEAs screen each child using a locally designed device. In addition to being educationally disadvantaged, 75% of the participants must be identified by both economic and social factors. Twenty-five percent may be identified by either economic or social factors. The SEA establishes economic criteria using AFDC and free-lunch counts and other measures. Social factors include level of parental education, degree of child's contact with a social or welfare worker, and other information about the child's family and community setting.

Types of Services Funded

Most SEN programs focus on basic skills improvement in an individualized setting. LEAs use most of their grant to pay for staff salaries and instructional services, but some agencies fund ancillary services as well. Projects must include parent involvement and may be school- or home-based. Most school-based SEN programs use pullout instruction.

Approximately 10% of the SEN appropriation is set aside as "discretionary funds." This money is used to fund projects for secondary school students. All other funds serve children in grades K-8.

The SEA permits but does not encourage joint funding of Title I and SEN programs. Both Title I and SEN administrators must approve a jointly funded program. State officials advise districts to avoid supplanting by funding different activities or grade levels with the state monies and with the Federal monies.

Requirements of Districts

Agencies must meet several state requirements to be eligible for funding. The program proposal must include a statement of objectives, a description of the needs assessment, the numbers of children to be served and staff to be employed, and a budget describing expenditures in various categories. The agency must show that it has adequate management and accounting capacity and can keep adequate and current accounting records. The LEA must set up a local advisory program council made up of school personnel, parents, and other members of the community.

Evaluation is required and must be based on measurable objectives stated in the proposal. The evaluation must include pretest and posttest data from tests chosen by grantee agencies.

Recent Funding Levels and Number of Children Served

School Year	Funds	Number of Children Served
1975-76	$1,500,000	2,376
1976-77	1,500,000	2,653
1977-78	1,225,000	2,319

State Administration of Program

SEN is administered by a special SEN program staff of the Division of Instructional Services, Department of Public Instruction. The staff includes one full-time SEN administrator, a part-time accountant from another program, and a director, whose responsibilities include SEN and other programs. The SEN staff is planning a study of the impact of the last set of projects.

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